

ASX Release
31 October 2008

Exploration Activities Report

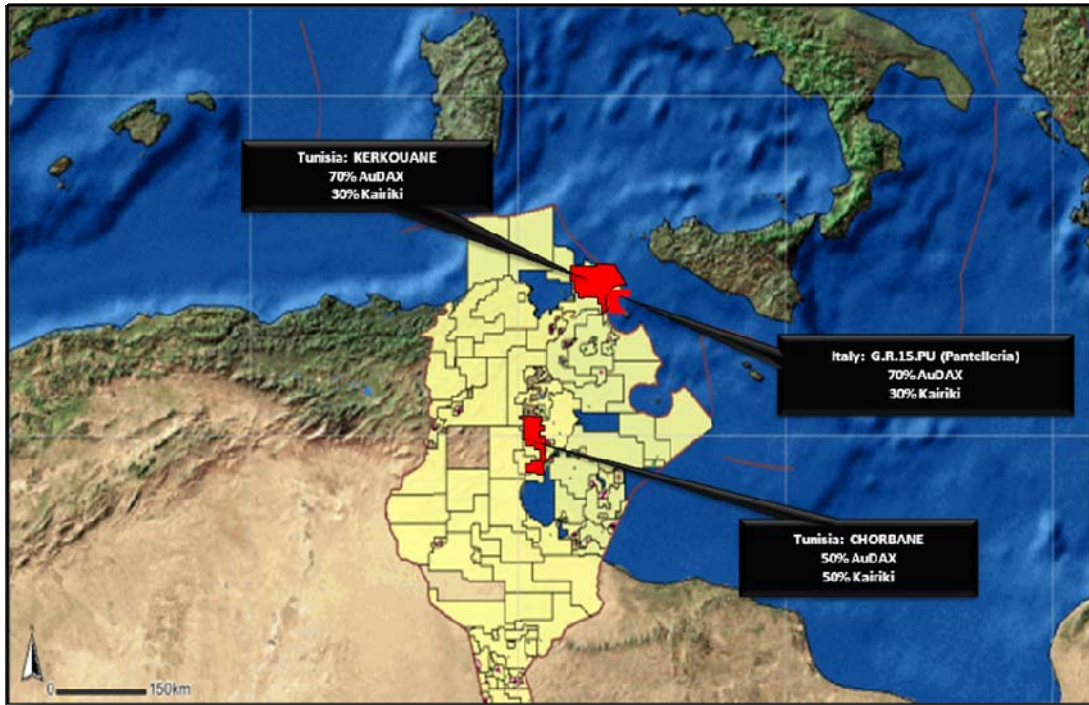
The Directors wish to report the following activities during the quarter ended 30th September 2008.

- **Completion of acquisition of Tunisian Kerkouane Permit in July**
- **Completion of drilling design for Sicily Channel prospects (Kerkouane and Pantelleria permits)**
- **Italian Pantelleria Permit Suspension granted**
- **Suspension of PEL 182 Cooper Basin Permit granted**

Tunisian permit - Kerkouane

As previously reported, AuDAX Resources Ltd (ASX:ADX) through its wholly owned subsidiary AuDAX Oil and Gas Pty Ltd (formerly Alpine Oil & Gas Pty Ltd) completed the acquisition from Stratic Energy Corporation ("Stratic"), a Canadian oil and gas company, to acquire Stratic's 100% interest in the Kerkouane permit located offshore northeast Tunisia. In addition, AuDAX sold a 30% interest in the permit to Kairiki Energy Limited ("Kairiki") (ASX:KIK).

The Permit has a two (2) year exploration period to 22 February 2010. Acquisition of 400km 2D seismic and spudding of one well is required in the two year period. AuDAX is the contractor under the permit and operates on behalf of Enterprise Tunisienne d'Activités Pétrolières ("ETAP") and Kairiki.



Offshore Tunisian and Italian permit map

Since receiving the data in November 2007, AuDAX has identified a large number of prospects and leads in the permit and confirmed a gas condensate field appraisal project. The total P50 un-risked recoverable resource potential in the permit could exceed one billion barrels of oil equivalent.

In order to prepare for drilling of two leading prospects – i.e. Sambuca and Dougga (appraisal of a gas condensate discovery), AuDAX has completed the drilling design with a drilling management consultant and has started discussions with other operators in the area with regard to a shared drilling program to significantly reduce costs.

Also, a consortium with 2 other operators was formed for a joint tendering and acquisition of the seismic data acquisition. The consortium is managed by AuDAX.

Tunisian permit – Chorbane

In November 2007, AuDAX and Kairiki entered into a conditional purchase agreement with Stratic to acquire a 100% interest in the Chorbane permit located onshore in southeast Tunisian for US\$1 million. AuDAX and Kairiki will each hold a 50% interest in the permit. Completion of the transaction is conditional on approval by the relevant Government authorities.

Meanwhile the subsurface interpretation of the available data has led to identification of a number of drilling prospects with medium to low risk and large upside potential.

Tunisian AMI

The previously announced Area of Mutual Interest (“AMI”) agreement between AuDAX, Kairiki and Nexus Energy Ltd continued to seek new opportunities in Tunisia.

The interests in the AMI are:

	Tunisian AMI Interest
AuDAX Resources Ltd	33.33%
Kairiki Energy Limited	33.33%
Nexus Energy Limited	33.33%

During the quarter AuDAX has completed the statistical and regional prospectivity review for Tunisia which has identified the most prospective areas where the AMI will now start to look for entry opportunities in detail.

Italian permit – G.R15.PU

In January 2008, AuDAX entered into a conditional Purchase Agreement with Stratic to acquire a 100% interest in the Italian permit G.R15.PU, located offshore the island of Pantelleria southwest of Sicily for US\$1 million. The request for transfer of the title for G.R15.PU from Stratic to AuDAX was approved on 9 July 2008.

A new subsidiary, AuDAX Energy Srl was incorporated in Italy as the operating affiliate of AuDAX Resources Ltd.

Together with the activities in Kerkouane AuDAX has completed the drilling design with a drilling management consultant and has started discussions with other operators in the area with regard to a shared drilling program to significantly reduce costs.

Currently the license is under suspension until the start of drilling operations. A suspension was granted on the 2nd July.

Romania

In July 2008, AuDAX and Kairiki elected to terminate the acquisition of the SUD Craiova permit in Romania. AuDAX and Kairiki concluded that their efforts were better focused on pursuing higher potential opportunities in Romania with its AMI partner.

AuDAX has a free carried interest in a Joint Study and Bidding Agreement between AuDAX, Kairiki and Nexus Energy to investigate and apply for projects in Romania and a 33 1/3%

participating interest in an AMI with Kairiki and Nexus to investigate and acquire oil and gas projects in Romania.

During the quarter, AuDAX' work as operator of the Romanian AMI was completed with regard to the identification of the regionally most promising exploration and production areas in Romania. Going forward, this work combined with seismic driven opportunity identification, forms the basis of regional geological risk analysis and will enable the Romanian AMI to formulate a rigorous 'Bid Round' exploration strategy. To that end a joint study with a local Romanian consultancy is ongoing which also includes the creation of a digital seismic and well database.

It is expected that the 9th Bidding Round for a number of oil & gas field rejuvenations will be announced in October.

Australia - Cooper Basin – Change of Operator

AuDAX has a 49.9% interest in the permit. Suspension granted on 23 September. Since AuDAX has taken over operatorship of the PEL 182 permit in the Cooper Basin it has refocused the exploration activity and the corresponding work program. By leveraging off of the expertise of recently appointed directors and staff who have significant experience in exploration and development in the basin in prior roles, AuDAX has undertaken a review of existing technical and commercial work. A new interpretation of the seismic data and a review of the Vanessa gas discovery were presented to PIRSA (Department of Primary Industries and Resources of South Australia). Subsequently a suspension was granted on 23 September. The suspension for the current license year 2 is until 1 March 2009 during which time seismic data reprocessing and preparation for further 2D seismic acquisition will be planned.

Corporate

During the quarter, the company issued 22,222,222 shares at 9 cents to sophisticated investors with net proceeds of AU\$2 million.

Yours faithfully



GARY J ROPER
Chairman